

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : LON/00AW/F77/2025/0129

Property : First Floor Flat 47 Redcliffe Square,

London SW10 9HG

Respondent . Northumberland & Durham Property

(Landlord) Trust Ltd

Representative : Grainger Trust PLC

Applicant (Tenant) : Mrs Harriet F Newall

**Representative : None** 

Type of application : Section 70 of the Rent ACT 1977

Tribunal members : Mr D Jagger MRICS

Venue : Paper determination

Date of Reasons : 12 November 2025

#### **DECISION**

The Tribunal determines £1368 per month is to be registered as the fair rent for the above property with effect from the 14 October 2025 being the date of the Tribunal's decision.

Following receipt of an email dated 6 November 2025 from the landlord the Tribunal provides the following reasons for the decision dated 24<sup>th</sup> September 2024.

The reasons for this decision are set out below.

### **Reasons**

### **Background**

On 20 December 2024 the landlord, applied to the Valuation Office Agency (Rent Officer) for registration of a fair rent of £369.72 per week (£1,602.12 per month) for the property.

The rent payable at the time of the application was £302.10 per week (£1,308 per month) effective from 5 March 2023

On the 28 January 2025 the Rent Officer registered a fair rent of £1,341 per month, effective from the 5 March 2025. The rent increase imposed by the Rent Officer had not been "capped" or limited by the operation of the Rent Acts (Maximum Fair Rent) Order 1999 (the Order).

By an email dated 12 February 2023 from Deborah Caslaw, on behalf of the landlord she objected to the rent determined by the Rent Officer and the matter was referred to this Tribunal.

#### The law

When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, must have regard to all the circumstances including the age, location and state of repair of the property. It also must disregard the effect of (a) any relevant tenant's improvements and (b) the effect of any disrepair or other defect attributable to the tenant, on the rental value of the property. Section 70(2) of the Rent Act 1977 imposes on the Tribunal an assumption that the number of persons seeking to become tenants of similar dwelling house in the locality on the terms (other than those relating to rent) of the regulated tenancy is not substantially greater than the number of such dwelling houses in the locality which are available for letting on such terms. This is commonly called 'scarcity'.

In Spath Holme Ltd v Chairman of the Greater Manchester Council (1995) 28 HLR 107 and Curtis v London Rent Assessment Tribunal [1999] QB 92 the Court of Appeal emphasised

- (a) that ordinarily a fair rent is the market rent for the property discounted for 'scarcity' (i.e. that element, if any, of the market rent, that is attributable to there being a significant shortage of similar properties in the wider locality available for letting on similar terms other than as to rent to that of the regulated tenancy) and
- (b) that for the purposes of determining the market rent, assured tenancy (market) rents are usually appropriate comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

The Rent Acts (Maximum Fair Rent) Order 1999 places a "cap" on the permissible amount of the increase of a fair rent between one registration and the next, by reference to the amount of the increase in the United Kingdom Index of Retail Prices between the dates of the two registrations. Where the cap applies the Rent Officer and the Tribunal is prevented from increasing the amount of the fair rent that it registers beyond the maximum fair rent calculated in accordance with the provisions of the Order and the mathematical formula set out in the Order.

By article 2(7) of the 1999 Order the capping provisions do not apply "in respect of a dwelling-house if because of a change in the condition of the dwelling-house or the common parts as a result of repairs or improvements (including the replacement of any fixture or fitting) carried out by the landlord or a superior landlord, the rent that is determined in response to an application for registration of a new rent under Part IV exceeds by at least 15% the previous rent registered or confirmed."

### **Facts found without Inspection**

The parties did not request a hearing or for the Tribunal to inspect the property and the Tribunal were satisfied this was not required and relied on information provided by the parties and the Rent Officer together with its expert knowledge.

The property forms part of an end of terrace four storey plus semi basement Victorian building with brick and stucco elevations. The converted non-self-contained flat is located on the first floor and is located in an established residential area in prime central London close to West Brompton station and Old Brompton Road.

The accommodation comprises: living room, kitchen, 2 bedrooms, the bathroom and lavatory are located on the landing.

There is no central heating. It appears the external fabric of the building has been subject to significant refurbishment works in the recent past.

## Terms of the tenancy

It is understood that this tenancy commenced on the 18 December 1968, although an agreement was not provided by the parties. It is assumed that the

landlord is responsible for structural repairs and external decoration; the tenant is responsible for internal decorations. The property was let unfurnished.

## Tenant's improvements and evidence

The parties did not submit any written representations from the landlord. The Tribunal received a copy of a handwritten letter from the tenant to the Rent Officer.

### The Rent Officer Calculations.

The Tribunal had copies of the Valuation Office Agency correspondence and including the rent registers effective from the 5 March 2023 and 5 March 2025 together with the calculations for the most recent registration.

#### Valuation

In the first instance the Tribunal determined what rent the landlord could reasonably be expected to obtain for the property in the **open market** if it were let today in the condition that is considered usual for such an open market letting.

Based upon its expert knowledge of rental values in the Chelsea area, the Tribunal consider that the subject property, if self contained and finished to a reasonable standard with modern services and central heating would be likely to attract a rent let on an assured shorthold tenancy, for £2,850 per month

Next, we need to **adjust that hypothetical rent of £2,850 per month** to allow for the differences between the terms of this tenancy and the lack of white goods, carpets and curtains, tenants internal decoration responsibility, dated kitchen and fittings, no central heating and the bathroom and lavatory are located on the half landing. (disregarding the effect of tenant's improvements and any disrepair or other defect attributable to the tenant).

The Tribunal has considered very carefully the submissions and the notes prepared by the Rent Officer.

Using our own expertise we considered that deductions of approximately 40% should applied in order to take into account the terms of the tenancy, and condition of the property. This provides a deduction of £1,140 per month from the hypothetical rent. This reduces the figure to £1,710 per month.

It should be noted that this figure cannot be a simple arithmetical calculation and is not based upon capital costs but is the tribunal's estimate of the amount by which the rent would need to be reduced to attract a tenant.

## **Scarcity**

Thirdly, the tribunal then went on to consider whether a deduction falls to be made to reflect scarcity within the meaning of section 70(2) of the 1977 Act. The

tribunal followed the decision of the High Court in *Yeomans Row Management Ltd v London Rent Assessment Committee*, in which it was held that scarcity over a wide area should be considered rather than scarcity in relation to a particular locality.

In the Tribunals opinion there should be a deduction of 20% for scarcity as it is considered that demand outweighs supply for rented properties in the area. Applying this deduction of £342 produces a rental figure of £1368 per month.

#### **Conclusion**

The capping provisions of the Rent Acts (Maximum Fair Rent) Order do not apply and therefore the above figure applies. For information, the capped fair rent in accordance with the attached calculations is £1,519 per month. For the tenant's information, this calculated figure is based upon the latest RPI figure and therefore there has been an increase since the Rent Officers registered rent.

Therefore, £1,368 per month is the fair rent to be registered limited by the Rent Acts (Maximum Fair Rent) Order 1999 with effect from the 14 November 2025 being the date of the Tribunals decision.

Detailed calculations were attached to the decision form.

D Jagger MRICS Valuer Chair

12 November 2025

## Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).